



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 12, 2010

CERTIFIED RETURN RECEIPT
7005 0390 0000 7507 4382

Steve Platt
Iron County
82 North 100 East, Suite 104
Cedar City, Utah 84720-2807

Subject: Notice of File Closure and Release of Reclamation Surety, Iron County, Iron County West RipRap Pit, S/021/0042, Iron County, Utah

Dear Mr. Platt:

The file for the Iron County West Rip Rap Pit, S/021/0042, located in Iron County, Utah, will now be closed. On April 12, 2010 a site inspection was performed, and it was determined that the site has been satisfactorily reclaimed and can be fully released.

Enclosed please find a check for \$2,5000.00, which represents your original cash deposit plus interest. We are also returning your original Reclamation Contract for your disposal or records.

You are hereby released by the Division from further reclamation responsibilities at this site. If you wish to conduct any future mining or exploration related activity in this area, you will need to submit a new Notice of Intention to the Division and other appropriate agency(ies), and provide reclamation surety prior to creating any disturbance.

If you have any questions or concerns regarding this action, please contact me at (801) 538-5261 or Lynn Kunzler at 538-5310. Thank you for your time and consideration in completing the required reclamation on this project.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:lk:pb

ENCLOSURES: Check, Original Reclamation Contract

cc: Penny Berry, DOGM

P:\GROUPS\MINERALS\WP\M021-Iron\S0210042-IronCoWestRipRapPit\final\RETIRE-3461-07122010.doc



50210042

110009857

Account Number: 8912031
Account Name: OGM - Iron County
Tran #: 16616298
Admin Name: Raylyn Daniel - UST 801-844-8523
Date: 07/01/2010

This check constitutes payment of the following:

Escrow Disbursements
Final Release of acct. #8912031

Paid For:

Amount: \$2,500.00

110009857

Payee:

Iron County
C/O Utah State Treasurer
350 N State Street, Ste. #180
P. O. Box 142315
Salt Lake City UT 84114-2315

HARLAND CLARKE M17873 09624493

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD TO LIGHT TO VIEW

OFFICIAL CHECK

110009857

Zions First National Bank
Salt Lake City, Utah
801-844-7089

OGM - Iron County

Trust Account 8912031

7/1/2010

\$2,500.00*

Two Thousand Five Hundred Dollars & 00/100

Pay to the Order Of:

Iron County
C/O Utah State Treasurer
350 N State Street, Ste. #180
P. O. Box 142315
Salt Lake City UT 84114-2315



Other Agency File Number:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

☒ APPROVED

RECEIVED

JUN 03 2008

DIV. OF OIL, GAS & MINING

---ooOoo---

SMALL MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between **Iron County** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. **S/021/042** which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
 - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site waste, roads, railroads, land excavations, drill sites and workings;

workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.

3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
5. If the Surety expressly provides for cancellation or termination for non-renewal:
- A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
- B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation obligations incurred by the

obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

☒ APPROVE

The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

Iron County
Operator Name

By Stephen R. Platt
Authorized Officer (Typed or Printed)

Iron County Engineer
Authorized Officer - Position

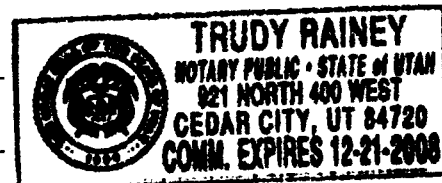
Stephen R. Platt 5-30-2008
Officer's Signature Date

STATE OF Utah)
) ss:
COUNTY OF Iron)

☒ APPROVED

On the 30 day of May, 20 08, Stephen R. Platt personally appeared before me, who being by me duly sworn did say that he/she is an officer (owner, officer, director, partner, agent or other (specify)) of the Operator Iron County and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors or as may otherwise be required to execute the same with full authority and to be bound hereby.

Trudy Rainey
Notary Public
Residing at Cedar City, UT
12/21/08
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By John R. Baza
John R. Baza, Director

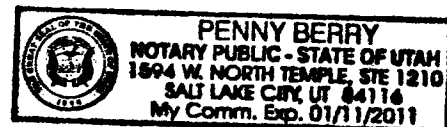
6/12/08
Date

STATE OF Utah
COUNTY OF Salt Lake) ss:

On the 12 day of June, 2008, John R. Baza
personally appeared before me, who being duly sworn did say that he, the said
John R. Baza is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that he
executed the foregoing document by authority of law on behalf of the State of Utah.

Penny Berry
Notary Public
Residing at: Salt Lake

1/11/2011
My Commission Expires:



☒ APPROVED

FACT SHEET

Commodity: Rock

Mine Name: Iron County West Rip Rap Pit

Permit Number: S/021/042

County: Iron

Disturbed Acres: 5

Operator Name: Iron County

Operator address: 82 N 100 E STE 104 CEDAR CITY UT 84720-2807

Operator telephone: 435-865-5370

Operator fax: 435-865-5379

Operator email: steve@ironnet.org

Contact: Steve Platt

Surety Type: Cash

Held by (Bank/BLM): State Bank of Southern Utah

Surety Amount: \$

Surety Account Number: n/a

Escalation Year: _____

Tax ID or Social Security (for cash only): _____

Surface owner: FEE

Mineral owner: FEE

UTU and/or ML number: _____

AUDITOR TO THE TREASURER
OF IRON COUNTY

PO BOX 457
PAROWAN UT 84761-0457
(435) 477-8331

GENERAL ACCOUNT

STATE BANK OF SOUTHERN UTAH

PO BOX
PAROWAN UT 84761-0638
97-177/1243

112805

DATE
06/02/2008

AMOUNT
*****2,500.00
VOID AFTER 90 DAYS

PAY ----- TWO THOUSAND FIVE HUNDRED & 00/100 DOLLARS -----

TO THE ORDER OF ** STATE OF UTAH DEPT OF NATURAL RESOURCES **
DIVISION OF OIL, GAS, AND MINING
P O BOX 145801
SALT LAKE CITY, UT 84114-5801

Handwritten signature: Eugene Adams
Handwritten signature: Geraldine S. Norwood

IC Security Printers, Inc. 800-733-4277

PLEASE DETACH STUB BEFORE DEPOSITING

Handwritten: S/021/042

112805

06/02/2008

01-74208 ** STATE OF UTAH DEPT OF NATURAL RESOURCES **

DATE	I.D.	DESCRIPTION	----- G/L DISTRIBUTION -----	AMOUNT
06/02/2008	200806020287	Small Mine Reclamation Con	10 -4147-375-000 2,500.00	2,500.00

RECEIVED

JUN 03 2008

DIV. OF OIL, GAS & MINING

AUDITOR TO THE TREASURER OF IRON COUNTY - PO BOX 457 - PAROWAN UT 84761-0457

CHECK TOTAL 2,500.00





AUDITOR TO THE TREASURER
OF IRON COUNTY
PO BOX 457
PAROWAN UT 84761-0457
(435) 477-8331
GENERAL ACCOUNT

STATE BANK OF SOUTHERN UTAH
PO BOX 6
PAROWAN UT 84761-0638
97-17711243

112805

DATE
06/02/2008

AMOUNT
\$*****2,500.00
VOID AFTER 90 DAYS

PAY ----- TWO THOUSAND FIVE HUNDRED & 00/100 DOLLARS -----

TO THE ORDER OF ** STATE OF UTAH DEPT OF NATURAL RESOURCES **
DIVISION OF OIL, GAS, AND MINING
P O BOX 145801
SALT LAKE CITY, UT 84114-5801

ORIGINAL CHECK
ROUTED TO ACCOUNTING

A Eugene Adams
Margaret S. Newwood

IC Security Printers, Inc. 800-733-4277

PLEASE DETACH STUB BEFORE DEPOSITING

01-74208 ** STATE OF UTAH DEPT OF NATURAL RESOURCES **

112805
06/02/2008

DATE	I.D.	DESCRIPTION	----- G/L DISTRIBUTION -----	AMOUNT
06/02/2008	200806020287	Small Mine Reclamation Ccn	10 -4147-375-000 2,500.00	2,500.00

RECEIVED

JUN 03 2008

DIV. OF OIL, GAS & MINING

APPROVED

AUDITOR TO THE TREASURER OF IRON COUNTY - PO BOX 457 - PAROWAN UT 84761-0457

CHECK TOTAL 2,500.00

Cash RECEIPT

Date 6-4-08

MINERALS BOND \$2500.00

Amount	
Permit Number	51021/042
Operator	Iron County
Received by	Jed Pearson
Signature	I confirm the dollar amount of this check is correct <i>JP</i> and amount.



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 15, 2010

State of Utah, Office of State Treasurer
E315 State Capitol Complex
Post Office Box 142315
Salt Lake City, Utah 84114-2315

Subject: Authorization for Release of Cash Deposit Held by Utah State Treasurer, Iron County, Iron County West Riprap Pit, S/021/0042, Iron County, Utah

Dear Sir or Madame:

The Utah State Treasurer is presently holding funds for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for the following project:

Permit ID	Mine Name	BOND AMOUNT			OPERATOR Check payable to	Account Number
		Total Amount Held	Release Amount Requested	Amount to be Retained		
S0210042	Iron County West Riprap Pit	\$2,500	\$2,500	\$0	Iron County	

It is requested that the entire principle and accrued interest on this account be released.

Please make the check payable to the operator (Iron County) and remit the funds to the Division, attention: Minerals Regulatory Program—Bond Coordinator.

If you have any questions or require further discussion regarding this letter, please contact Penny Berry, bond coordinator, at 801-538-5291, or by e mail at bondcoordinator@utah.gov.

Sincerely,

Dana Dean, P.E.
Associate Director

DD:lk:pb

cc: Steve Platt, Iron County

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GARY R. HERBERT
Governor


GREGORY S. BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Inspection Report
Minerals Regulatory Program
May 26, 2010

Reviewed: 

Mine Name: Iron County West Riprap Pit	Permit Number: S/021/0042
Operator Name: Iron County	Inspection Date: April 12, 2010
Inspector(s): Lynn Kunzler	Time: 9:00 am
Other Participants: Steve Platt	Mine Status: Reclaimed

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

Operator requested site inspection to close file and release the reclamation surety.

Inspection Summary:

Reclamation of this site consisted mostly of regrading work to blend areas where riprap was removed from the old iron mine waste rock piles so that it would blend in. A small access road of few 100 feet was also ripped and seeded.

Photos were taken to document site conditions.

Conclusions and Recommendations:

Aside from the 'fresh' appearance of the areas that were regraded, it appeared as if there had been no additional disturbance. There was no trash at the site, no signs of erosion, and no safety concerns. Berms had been placed to keep ATV's off the reclaimed access road. At the time of this inspection, the seeding had not been done. The Division was later notified that the seeding had been completed.

Given that less than 1/10 acre required seeding. It is recommended that the full bond be released. It would be somewhat impractical for the Division to require additional seeding for such a small area, especially when the ground cover of the surrounding areas is less than 10 percent cover.

Inspector's Signature



cc: Steve Platt, Iron County

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Penny Berry - Bond calculation for Emerald Mist EXP (E/021/0042)

From: Lynn Kunzler
To: Tom Munson
Date: 3/10/2010 2:50 PM
Subject: Bond calculation for Emerald Mist EXP (E/021/0042)

I have been questioned regarding the amount of the surety (\$13,300) for this project. There is nothing I could find in the database, the "O" drive, "M" drive, or in the PIC that documents how this amount was derived. Looking at the NOI, and using the bond spreadsheet for EXP's I could not duplicate this number, Closest I could get was still about \$5,000 difference.

In checking in the file (PIC), it appears that this information was sent via email. if so, please print the emails and give to Emily to scan and cc me the emails so I can answer the questions about the amount.

NOTE - if Ed calculated the bond amount, where is a copy of his calculation and the concurrence letter we should have sent to him.